

§ 53-163.5. Establishment of common trust funds.

(a) Any trust institution duly authorized to act as a fiduciary in this State may establish and maintain one or more common trust funds for the collective investment of funds held in a fiduciary capacity by such trust institution hereafter referred to as the "maintaining institution." The maintaining institution may include for the purposes of collective investment in such common trust fund or funds established and maintained by it, funds held in a fiduciary capacity by any other trust institution duly authorized to act as a fiduciary with which it is affiliated, wherever located, which other trust institution is hereinafter referred to as the "participating institution."

(b) For the purposes of this section, a maintaining institution shall be considered to be affiliated with a participating institution if it controls, is controlled by, or is under common control with the participating institution, as control is determined under the federal Bank Holding Company Act of 1956 or by rule, order, or declaratory ruling of the Commissioner of Banks.

(c) Such common trust funds may include a fund composed solely of funds held under an agency agreement in which the trust institution assumes investment discretion and assumes fiduciary responsibility.

(d) Such trust institution may invest the funds held by it in any fiduciary capacity in one or more common trust funds, provided that (i) such investment is not prohibited by the instrument, judgment, decree or order creating such fiduciary relationship or amendment thereof, and (ii) the trust institution has no interest in the assets of the common trust fund other than as a fiduciary. (1939, c. 200, s. 1; 1973, c. 1276; 1977, c. 502, s. 2; 2005-192, s. 1; 2006-259, s. 13(q); 2011-339, s. 7.)